

**MINUTES FOR THE
MEETING OF THE
BOARD OF LAND AND NATURAL RESOURCES**

DATE: FRIDAY, MAY 26, 2000
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII

Chairperson Timothy Johns called the meeting of the Board of Land and Natural Resources to order at 9:15 a.m. The following were in attendance:

MEMBERS:

Mr. Timothy Johns	Mr. William Kennison
Mr. Colbert Matsumoto (from 10:45 a.m.)	Ms. Lynn McCrory
Ms. Kathryn Inouye	Mr. Russell Kokubun

STAFF:

Mr. Dean Uchida, Land Division	Mr. Howard Gehring, Division of Boating and Ocean Recreation (DOBOR)
Mr. Stephen Thompson, DOBOR	

OTHERS:

Mr. Allan Kawada, Department of the Attorney General	Mr. Peter Garcia, Department of Transportation
Mr. Jonathan Starr, D-16	Mr. Mark Sheehan, D-16
Mr. Carl Christensen, D-16	Mr. Patrick Hanifin, D-16
Mr. Darrell Yagodich, D-16	Mr. Jason Schwartz, D-16
Mr. Steve Holiday, D-16	Mr. Garrett Hew, D-16
Mr. John Hoxie, D-16	Ms. Kat Brady, D-16
Ms. Linda Warriner, D-14	Mr. Wayne Nasser, D-7
Mr. Kealoha Kuhea, D-7	Mr. Steven Lim, D-17
Mr. James Leonard, D-17	Mr. BJ Kobayashi, D-17
Mr. Carl Caliboso, D-20	Mr. Robert Urago, D-1
Mr. Wayne Scott, D-1	Ms. Marilyn Ushijima, D-15
Ms. Amy Luerson, J-1	Mr. John Reppun, J-1

ITEM A-1: APPROVAL OF THE MARCH 24, 2000 MINUTES

Member Kennison was recused.

Unanimously approved as submitted (Inouye/McCrory).

ITEM D-16: ISSUANCE OF WATER PERMITS TO ALEXANDER & BALDWIN, INC (A&B). AND EAST MAUI IRRIGATION COMPANY, LIMITED (EMI), FOR THE HONOMANU, KEANAE, HUELO AND NAHIKU LICENSE AREAS, HANA, MAUI, VARIOUS TAX MAP KEYS

Mr. Uchida, Administrator of the Land Division, briefed the Board and recommended that the Board authorize the issuance of water permits to EMI and A&B for the subject areas, subject to 9 conditions. He distributed testimony to the Board that was received from: County of Maui, Board of Water Supply; Maui Flower Growers Association; Maui Resident, G. W. Freeland; Ulupalakua Ranch, Inc.; Maui's Kaanapali Estate Coffee, Inc.; Native Hawaiian Legal Corporation; Kula Community Association; Department of Hawaiian Homelands (DHHL); and Maui Mayor James Apana.

Mr. Mark Sheehan read through written testimony on behalf of Mr. Hugh Starr, Haiku Community Association, Mr. Isaac Hall for the Coalition to Protect East Maui Resources, and Maui Tomorrow. Their main concerns were: the management and protection of the watershed; that the valuation of the proposed subject water license rents be looked at before rental rates are decided on; that a professional comparative appraisal of these rates be conducted to encourage public dialogues with respect to the costs and benefits of making meaningful increases in these rates; that the process begin of reforming the outmoded distribution of a vital public resource; that there be a responsible environmental analysis based on Chapter 343, Hawaii Revised Statute; that a stream restoration program be drafted and in place, taken into consideration the in-stream values, riparian and pertinent water rights; that an independent appraisal of the fair market value of these water resources be prepared; that an independent analysis of the in-stream use of these waters be prepared; and that further legal action may be necessary if these analysis are not undertaken in the next year.

Mr. Carl Christensen, Staff Attorney for the Native Hawaiian Legal Corporation, asked how the proposed disposition at a monthly rent "to be determined by staff appraisal, subject to review and approval by the Chairperson," is consistent with the requirement of Section 171-33(5), Hawaii Revised Statute, that reads: "Prior to any notice of intended disposition, the Board of Land and Natural Resources shall determine the upset price or lease rental based upon the fair market value of the land employed to the specific use or uses for which the disposition is made, with due consideration for all of the terms and conditions of the disposition". He also asked how the Board can reasonably believe it is upholding its duties as trustees under Section 5(f) of the Hawaii Admission Act and other laws, under which it is held to the "same strict standards applicable to private trustees". He urged the Board to consult with the Deputy Attorney General to determine how the proposed action is consistent with the statutes, and how it is consistent with the Board's fiduciary responsibilities to approve this major transaction when there is no idea

what the rent is going to be charged, and what the compensation the State will receive for this private "for profit" use of public lands.

Mr. Darrell Yagodich, representing DHHL, recommended that the Board initially approve a water permit for a 3-month period, not 1-year. During this time, staff from the departments can work cooperatively on an overall watershed management plan to define the amount of water that needs to be reserved for DHHL's future needs from this water permit. Staff findings and long term recommendations can then be presented to the Board for approval.

Mr. Steve Holiday, General Manager of Hawaiian Commercial & Sugar Company, introduced Mr. Garrett Hew of EMI, and Mr. John Hoxie, Hawaiian Commercial & Sugar Company. He gave some background information, and explained the importance of the water permits which is crucial to the continued existence and success of their operations.

Ms. Kat Brady, Life of the Land, expressed her concerns about the ahupuaa resource management, the protection of watersheds, traditional and cultural rights, and the low lease rent. She wanted to see the whole issue analyzed through an environmental impact statement process.

The Board decided at 9:52 a.m. to move into executive session to consult with legal counsel on the issues raised (Kennison/Inouye). The meeting was reconvened at 10:15 a.m.

Member Kennison amended the staff recommendation by identifying the existing recommendation as "B." and adding a recommendation "A." to read as follows:

A. That the Board requests the Department of Attorney General to issue an opinion regarding the compliance with Chapter 343, Hawaii Revised Statute, as it relates to these water leases as soon as possible.

Unanimously approved as amended (Kennison/McCrory).

There was further discussion. Chairperson Johns expressed the importance of getting a resolution on the Chapter 343 requirement. He stated that the Board and the Department are working toward a long-term resolution of this issue, resolving and clarifying all the issues that have been raised today and moving towards a long term disposition. He said he will continue to meet with the interested parties to discuss in-stream and stream restoration issues, and asked staff to brief the Board, at an upcoming Board meeting, on the in-house appraisal valuation process for these permit. He requested that in the future, when this issue is moved to a long term disposition, that an independent appraisal of fair market value be required at that point. Member Kokubun recommended that staff initiate discussions with DHHL, A&B/EMI, County of Maui, Commission on Water Resource Management and other interested parties in developing a watershed management plan for these water lease areas.

ITEM D-14: CONSENT TO THE SALE OF GENERAL LEASE (GL) NO. S-3832 AND S-5578 BY AGREEMENT OF SALE, MS. LINDA J. HARDING WARRINER, SELLER (ASSIGNOR), TO PIXLER DEVELOPMENT LLC,

BUYER (ASSIGNEE), KAPAA, KAWAIIHAU, KAUAI, HAWAII, TMKs: 4-5-11: 46 AND 4-5-12: 5

Mr. Uchida briefed the Board and recommended that the Board consent to the sale of GL No. S-3832 and S-5578 from Ms. Warriner, to Pixler Development LLC, subject to 3 conditions.

Ms. Warriner was present to answer questions.

Unanimously approved as submitted (McCroory/Kennison).

ITEM D-7: REQUEST ISSUANCE OF A LAND PATENT IN CONFIRMATION OF A PORTION OF LAND COMMISSION AWARD NO. 7716, APANA 5 TO R. KEELIKOLANI, LOCATED AT HIENALOLI 2ND, NORTH KONA, ISLAND OF HAWAII, TMK: (3) 07-5-08: 30

Mr. Uchida briefed the Board and recommended that the Board consent to the issuance of the patent, subject to 3 conditions.

Mr. Wayne Nasser, representing Hualalai Medical Center Associates, was present to answer questions.

Unanimously approved as submitted (Kokubun/Inouye).

ITEM D-17: GRANT OF PERPETUAL, NON-EXCLUSIVE EASEMENT AND ISSUANCE OF CONSTRUCTION RIGHT-OF-ENTRY TO WB KUKIO RESORTS, LLC FOR WATERLINE, UTILITY, SERVICE ACCESS AND MAINTENANCE PURPOSES, AT KUKIO 2ND AND MANINIOWALI, DISTRICT OF NORTH KONA, HAWAII, TMKs: (3) 7-2-04: PORTIONS OF 4 AND 7; 7-2-06: PORTION OF 17

Mr. Uchida briefed the Board and recommended that the Board authorize the issuance of a 30-foot wide perpetual non-exclusive easement for water pipeline, utility, service road access and maintenance purposes, and authorize the issuance of an immediate construction right-of-entry for the installation of temporary and/or permanent facilities, subject to conditions.

Member Inouye recused herself from discussion and action on this item.

Mr. Steven Lim introduced Mr. James Leonard of PBR Hawaii, and Mr. BJ Kobayashi of WB Kukio Resorts, LLC. He commented on staff recommendation no. 1 that describes, in detail, 2 breaker tanks of the system. He explained that they may need an additional tank, and at different elevations, to give them additional design flexibility.

Member Kokubun amended the staff recommendation as follows:

1. "...support facilities for utility poles; a two or more 150' x 150' tank "breaker" tank sites[at approximately the 891 foot and 1191 foot elevations], under the..."

Unanimously approved as amended (Kokubun/Kennison).

ITEM D-20: REQUEST TO APPROVE SUBORDINATION AGREEMENT, SUBLEASE NO. K-4 OF GL NO. S-4717, NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY, LESSEE, CYANOTECH CORPORATION, SUBLESSEE, KEAHOLE, NORTH KONA, HAWAII, TMK: 3RD/7-3-43: 03 & 42

Mr. Uchida briefed the Board and recommended that the Board approve Cyanotech Corporation's request to subordinate the first lien position, subject to 7 conditions.

Mr. Carl Caliboso representing B&I Lending, LLC, the lender for Cyanotech Corporation, was present to answer questions.

Unanimously approved as submitted (Kokubun/Inouye).

ITEM D-1: CONSERVATION DISTRICT USE APPLICATION FOR THE CONSTRUCTION OF A 130' HIGH ENHANCED SPECIALIZED MOBIL RADIO ANTENNA FACILITY AT PUU PAPAA, KAILUA/KANEOHE, OAHU, TMK: 4-4-12: 01

This item was deferred from the April 28, 2000 Board meeting, to have the applicant do an analysis of how the tower would look like with some proposed mitigative measures-trying to camouflage the pole to look like a tree, and to have the applicant provide some documentation on the position of both the Kaneohe and Kailua Neighborhood Boards. Mr. Uchida distributed computer renderings that was submitted by the applicant, showing the site as is, with the proposed antenna, and the proposed antenna camouflaged to look like a tree. Staff has taken a look at some of the comments from the neighborhood boards in which there were no formal position taken. Staff's recommendation is that the Board approve the application submitted by Nextel Communications to construct and operate an antenna site, subject to 26 conditions. Staff did not recommend, based on the computer renderings, that the pole be camouflaged to look like a tree as it seemed to stand out more.

There was some discussion about staff recommendation no. 23. Member McCrory requested that a requirement for a performance bond be added to staff recommendation no. 23, to cover the removal of the equipment, and restoration of the area, should the applicant terminate the project or go bankrupt. There was some concern about the possibility of the landowner wanting to keep the improvements. The Board decided to condition the landowner in staff recommendation no. 23, and add an additional condition that would give the department the option to determine whether a performance bond or other security is needed.

Member Inouye suggested amending staff recommendation no. 19 to read: "...provide tower and equipment space for at least two other telecommunications..."

Mr. Robert Urigo, representing Nextel Communications, showed the Board 2 colors suggested by the color consultant, for the whole pole to be painted. The Board was concerned about the color scheme as suggested by the color consultant, and the computer rendering submitted by the applicant. Member Inouye felt that a more sensitive approach should be taken regarding the visual impacts of the environment, and that in the future, other types of alternatives should be looked at to minimize visual impacts.

The Board approved staff recommendation with the following amendments:

4. The applicant shall hire an appropriate consultant to develop a color scheme that best mitigates the visual impacts of the tower as perceived by persons in the surrounding areas;
19. "...equipment space for at least two other telecommunications..."
23. "...associated with the project shall remain with the landowner, Nextel or their successors, and..."
27. The Department shall determine whether a performance bond or other security, to guarantee a specific performance under this permit, is required.

Unanimously approved as amended (Inouye/Kokubun).

ITEM D-15: CANCELLATION OF LAND OFFICE DEED NO. 8299, HAWAIIAN ELECTRIC COMPANY, LTD. AND MUTUAL TELEPHONE COMPANY AND AFTER-THE-FACT GRANT OF A NON-EXCLUSIVE, PERPETUAL EASEMENT TO HAWAIIAN ELECTRIC COMPANY, LTD. AND GTE HAWAIIAN TELEPHONE COMPANY AT KAHUKU HIGH AND INTERMEDIATE SCHOOL, KAHUKU, KOOLAULO, OAHU, TMK: 5-6-06: 03

Mr. Uchida briefed the Board and recommended that the Board cancel Land Office Deed No. 8299 and replace it with a perpetual, non-exclusive easement for Hawaiian Electric Company, Inc., and GTE Hawaiian Telephone Company, subject to standard conditions.

Ms. Marilyn Ushijima, Hawaiian Electric Company, was present to answer questions.

Unanimously approved as submitted (Inouye/Kennison).

ITEM J-1: REQUEST PERMISSION TO ISSUE COMMERCIAL PERMITS FOR THE CURRENTLY PERMITTED KANEOHE BAY COMMERCIAL

OPERATORS

Mr. Howard Gehring, Acting Administrator for DOBOR, introduced Mr. Stephen Thompson, Oahu District Manager for DOBOR. He said the request before the Board is to grant approval for the issuance of the permits for the current Kaneohe Bay commercial operations in Kaneohe Bay for a period of 1-year or until administrative rules are adopted, whichever occurs first. As a result of action by the Board at its June 25, 1999 meeting, each of the commercial operators were required to be audited. The results of the audits indicate general compliance with gross receipts reporting. Mr. Gehring amended the staff submittal by changing page 3, 4th paragraph, to read: "...Please note that the Department has resolved routing issues with Kualoa Ranch and Activity Club, Inc., Morning Star Cruises, Inc., and All Hawaii Cruises, Inc." The audit disclosed a material finding with respect to North Bay Boat Club, Inc., who was not reporting the value of the activities that they conducted, instead they were reporting their expenses associated with those activities. They assert that all boating activities are included in the price of their customer's hotel room fee. Since this staff report was submitted of last week, North Bay Boat Club, Inc. has come forward and resubmitted the proper value of their operations, DOBOR is in the process of setting up the audit team to complete that. Staff's recommendation is that the Board approve the issuance of commercial permits for the currently permitted Kaneohe Bay commercial operators, subject to 3 conditions.

Chairperson Johns noted that House Bill 2572, House Draft 1, Senate Draft 2, Conference Draft 1, that's referenced in the staff report on page 2, last paragraph, as being sent to the Governor for action on May 3, 2000, was signed by the Governor on May 22, 2000.

There was some discussion about North Bay Boat Club, Inc.'s non-compliance of gross receipts reporting for their activities. Member Inouye was concerned that the situation has been going on for approximately a year. She asked if it's typical for the department, when a permittee is not in compliance, to wait until the end of the 1-year period, rather than terminate the permit during the 1-year permit period. Mr. Thompson said depending on the issue at hand, the department will deal with it differently. He agreed that this is a serious matter, however, believed that upon resolution, being that the permittee operates at such low levels and infrequently, that it would not result in a financial significance, nor will it be a public health or safety issue.

Member McCrory asked staff to inform the Board on the results of the Division of Aquatic Resources reef study on Checker Reef or other reefs somehow impacted by the current level and location of commercial activity.

Ms. Amy Luerson, Chairperson of the Kahaluu Neighborhood Board, commented on 2 permits, North Bay Boat Club, Inc., and Kualoa Ranch and Activity Club, Inc. Her concern with North Bay Boat Club, Inc., was that at one point they were bringing in tours from Waikiki to go out on the boat which she believed was a violation of land use laws. She was also concerned about the audit and where the numbers are coming from in terms of hotel use, is it Waikiki Hotels or the units onsite at Wailau. It should be the onsite units at Wailau, though many are local resident who are not going out on those boats. She requested that the Board not reissue a new permit, as the operation has not been in compliance for at least a year. She commented on Kualoa Ranch and Activity Club, Inc.'s permits for full service and large snorkel operations. Regarding the full

service permit, she wanted to make sure that when this permit is reissued, that the language clearly identifies "outside the class AA waters of Kaneohe Bay". For the snorkel operation, she requested that it be reissued for a shorter time period than 1-year, during which time discussions with the department, the City & County, and the Kahaluu Neighborhood Board could take place to resolve some of the land use issues.

Mr. John Reppun gave some more details on what he believed the 2 permittees, North Bay Boat Club, Inc., and Kualoa Ranch and Activity Club, Inc.'s, non-compliance of their permits were. He also requested that discussions take place, inter-governmental as well as inter-departmental.

The Board recessed at 12:05 p.m. The meeting was reconvened at 12:15 p.m.

Chairperson Johns requested that the Land Division inform the Board on the Kualoa Ranch accreted land issue covering the current status with the County, remaining issues of accreted land ownership, litigation, and conservation district use items of concern.

The Board amended staff recommendation no. 3. c) to read:

"Before June 27, 2000, bring back to the Board the results of the audit of North Bay Boat Club, Inc., for determination of compliance and issuance of a new permit."

Unanimously approved as amended (Inouye/McCrory).

ITEM D-2: GRANT OF PERPETUAL, NON-EXCLUSIVE EASEMENT AND ISSUANCE OF CONSTRUCTION RIGHT-OF-ENTRY TO MRS. EVELYN IWANKIW, MR. BRIAN IWANKIW AND MS. SALLY IWANKIW FOR ACCESS AND UTILITY PURPOSES, PORTION OF HONOPOU-HOOLAWA, HAMAKUALOA, MAKAWAO, MAUI, TMK: 2-9-03: PORTION 08

Mr. Uchida briefed the Board and recommended that the Board authorize the issuance of a perpetual non-exclusive easement, subject to standard conditions.

Unanimously approved as submitted (Kennison/Inouye).

ITEM D-3: APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT – JOB NO. 500BH42A, BUILDING DEMOLITION/CLEARING, WAIAKEA, HILO, HAWAII

Mr. Uchida briefed the Board and recommended that the Board authorize the Chairperson to proceed with awarding the contract for Job No. 500BH42A to Site Engineering, Inc., for the low bid of \$42,700.00.

Unanimously approved as submitted (Kokubun/Inouye).

ITEM D-4: TIME EXTENSION REQUEST – CONSERVATION DISTRICT USE APPLICATION OA-591A FOR MASTER PLAN ELEMENTS OF WAIMEA VALLEY ADVENTURE PARK, WAIMEA VALLEY, KOOLAULO, OAHU, TMKS: 5-9-5: 76; 6-1-02: 2, 3, 15, 16, 17, 19, 20 & 21

Mr. Uchida briefed the Board and recommended that the Board authorize the extension of 3-years to complete the approved construction of the administrative office and maintenance building, subject 2 conditions.

Unanimously approved as submitted (Inouye/McCrory).

ITEM D-5: SET ASIDE TO DEPARTMENT OF EDUCATION FOR KAAAWA ELEMENTARY SCHOOL, SITUATE AT KAAAWA BEACH LOTS, KAAAWA, KOOLAULO, OAHU, TMK: (1) 5-1-02: 18

Mr. Uchida briefed the Board and recommended that the Board authorize the set-aside of the school site to the Department of Education, subject to standard conditions.

Unanimously approved as submitted (Inouye/Kennison).

ITEM D-6: REQUEST ISSUANCE OF A LAND PATENT IN CONFIRMATION OF LAND COMMISSION AWARD NO. 7023 TO KAIPUALA, LOCATED AT HAUKALUA, SOUTH KONA, ISLAND OF HAWAII, TMK: (3) 8-7-04: PORTION OF 14

Mr. Uchida briefed the Board and recommended that the Board consent to the issuance of a Land Patent in confirmation of Land Commission Award No. 7023 to Kaipuala, subject to standard conditions.

Unanimously approved as submitted (Kokubun/Kennison).

ITEM D-8: REQUEST TO AMEND BOARD'S ACTION OF SEPTEMBER 26, 1997, AUTHORIZING THE DIRECT SALE OF A PERPETUAL, NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT AND AN IMMEDIATE RIGHT-OF-ENTRY ON STATE LANDS IDENTIFIED AS TMK: (2) 2-9-03: POR. 20, HONOPOU-HOOLAWA, HAMAKUALOA, MAKAWAO, MAUI

Mr. Uchida briefed the Board and recommended that the Board amend its action of September 26, 1997, by removing the name of Ms. Judith Miller as an applicant, subject to 3 conditions.

Unanimously approved as submitted (Kennison/McCrory).

ITEM D-9: AMEND PRIOR BOARD ACTION FOR EXECUTIVE ORDER TO THE CITY AND COUNTY OF HONOLULU DEPARTMENT OF PARKS AND RECREATION COVERING THOMAS SQUARE, HONOLULU, OAHU, TMK: (1) 2-4-1: 1

Mr. Uchida briefed the Board and recommended that the Board amend its approval of September 25, 1970.

Unanimously approved as submitted (Inouye/Kennison).

ITEM D-10: AMEND PRIOR BOARD ACTION FOR CONSENT TO ASSIGN GRANT OF NON-EXCLUSIVE EASEMENT, MR. DERL GREEN AND MR. FLOYD LARSON, ASSIGNORS, TO MR. KENDRICK AND MRS. KELLEY LEE, ASSIGNEES, AND CONSENT TO MORTGAGES, WAIMANALO, OAHU, TMK: (1) 4-1-35: PORTION 13

Mr. Uchida briefed the Board and recommended that the Board amend Board approval of April 28, 2000, subject to 3 conditions.

Unanimously approved as submitted (Inouye/Kennison).

ITEM D-11: ISSUANCE OF REVOCABLE PERMIT TO DEPARTMENT OF LAND AND NATURAL RESOURCES, DIVISION OF FORESTRY AND WILDLIFE, KAELEKU, HANA, MAUI, TMK: 1-3-04: PORTION 15

Mr. Uchida briefed the Board and recommended that the Board authorize the issuance of a revocable permit, subject to standard conditions.

Unanimously approved as submitted (Kennison/Inouye).

ITEM D-12: RESCIND PRIOR BOARD ACTION FOR HAWAIIAN CEMENT'S REQUEST FOR CONSENT TO SUBLEASE TO PACIFIC MACHINERY, GL NO. S-5284-A

Mr. Uchida briefed the Board and recommended that the Board rescind its action of June 5, 1998.

Unanimously approved as submitted (Kennison/McCrory).

ITEM D-13: LEASE – PUBLIC AUCTION FOR PASTURE AND INTENSIVE AGRICULTURE PURPOSES, AND ISSUANCE OF REVOCABLE PERMIT TO MS. A. MAILE F. HURLEY AND MS. EVELYN O. TAKENAKA, PORTION OF GOVERNMENT LANDS OF WAILUA, KAWAIHAU, KAUAI, TMK: 4-1-9: 5 & 6

Mr. Uchida briefed the Board and recommended that the Board authorize the sale of a lease at public auction, and authorize the issuance of an interim revocable permit for pasture and intensive agriculture purposes, subject to standard conditions.

Unanimously approved as submitted (McCrory/Kennison).

ITEM D-18: FORFEITURE OF GL NO. S-4912, MS. LYDIA K. ULII AND MR. JOSEPH W. K. NAHINU, SR., LESSEES, MAUNALAHA HOMESITES, LOT 7, OPU, MAKIKI, HONOLULU, OAHU, TMK: 2-5-24: 07

Mr. Uchida requested that this item be withdrawn, the applicant has cured the delinquent rental payments.

Unanimously approved to withdraw (Kokubun/Matsumoto).

ITEM D-19: RESCIND THE SALE OF LEASE AT PUBLIC AUCTION FOR INTENSIVE AGRICULTURE PURPOSES, KAUMANA, SOUTH HILO, HAWAII, TMK: 3RD/2-5-3: 20, 21, 80 & 94 AND 2-5-55: 47

Mr. Uchida briefed the Board and recommended that the Board rescind its action of August 8, 1997.

Unanimously approved as submitted (Kokubun/Kennison).

ITEM D-21: SET ASIDE TO THE DEPARTMENT OF AGRICULTURE FOR AGRICULTURAL PARK PURPOSES, ISLAND OF LANAI, TMK: 4-9-02: PORTION 01

Mr. Uchida briefed the Board and recommended that the Board authorize the set aside of the lease to the Department of Agriculture, for agricultural park purposes.

Unanimously approved as submitted (Kennison/McCrory).

ITEM D-22: FORFEITURE OF GL NO. S-5073, MR. DAMASCIO AND MRS. THELMA L. RUIZ, LOT 38, PUU KA PELE PARK LOTS, WAIMEA (KONA), KAUAI, TMK: 1-4-2: 43

Mr. Uchida briefed the Board and recommended that the Board authorize the cancellation of GL No. S-5073, subject to standard conditions.

Unanimously approved as submitted (McCrary/Inouye).

ITEM D-23: APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT – JOB NO. F58-C-631-A, WAILOA RIVER STATE RECREATION AREA PARK IMPROVEMENTS, WAIAKEA, HAWAII

Mr. Uchida briefed the Board and recommended that the Board authorize the Chairperson to proceed with awarding the contract.

Unanimously approved as submitted (Kokubun/Matsumoto).

ITEM D-24: RESUBMITTAL – REVISION TO SUBLEASE RENT PARTICIPATION POLICY

Mr. Uchida briefed the Board and recommended that the Board rescind prior action of July 9, 1982, under agenda item F-9, including the computation worksheet identified as Exhibit A; authorize the Chairperson to consent to a sublease when no sandwich profit exists because: 1) the lease has no provision which allows for sandwich profits or 2) the sublease involves improved property and according to the above stated policy, the State is not entitled to a sandwich profit; subject to the review and approval of the Department of the Attorney General; and approve the revised Sublease Participation Worksheet identified as Exhibit B.

Unanimously approved as submitted (Inouye/McCrary).

ITEM K-1: ISSUANCE OF REVOCABLE PERMIT NEAR PIER 1 AND 2, HILO HARBOR, ISLAND OF HAWAII (HAPPY HAULERS ON THE GO GO, INC.) TMK: (3) 2-1-09P

Mr. Peter Garcia, Property Management Officer for the Department of Transportation, briefed the Board and recommended that the Board approve the revocable permit.

Unanimously approved as submitted (Kokubun/Matsumoto).

ITEM K-2: ISSUANCE OF REVOCABLE PERMIT, KEEHI LAGOON INDUSTRIAL LOTS, ISLAND OF HAWAII (TECK, INC.) TMK: (1)-1-2-23-76

Mr. Garcia briefed the Board and recommended that the Board authorize the Director of Transportation to issue the revocable permit.

Unanimously approved as submitted (Kennison/Matsumoto).

**ITEM K-3: REPORT ON REVOCABLE PERMITS ISSUED OR RENEWED BY THE
DEPARTMENT OF TRANSPORTATION FOR CONSISTENT USES**

Mr. Garcia said this is a report and does not require any Board action.

No action.

There being no further business, Chairperson Johns adjourned the meeting at 12:45 p.m.

Tapes of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Kimberly C. Keliioomalu

Approval for submittal:



TIMOTHY E. JOHNS

Chairperson

Board of Land and Natural Resources

